

Message Text

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64

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 7715

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E.O. 11652: N/A

TAGS: BPRO EFIN

SUBJ: VENEZUELAN ROAD AND CONSTRUCTION CONTRACTORS

REF: STATE 035203#

1. CONSTRUCTION AND ROAD BUILDING CONTRACTORS EXPRESSED THE OPINION THAT THERE IS CONSIDERABLE IMPROVEMENT IN PAYMENT PROMPTNESS FROM GOVERNMENT ORGANIZATIONS, ESPECIALLY IN THE LAST YEAR. AT THE PRESENT TIME A CONTRACTOR CAN USUALLY EXPECT TO OBTAIN DIRECT PAYMENT FROM GOV WITHIN 2 TO 4 MONTHS AFTER CONSUMMATION OF A CONTRACT. MOST OF THE TIME IS CONSUMED BY THE BUREAUCRATIC FORMALITIES NECESSARY FOR THE PROCESSING OF PAYMENT. AFTER THE NECESSARY PAPERS ARE READY, THE TIME LAPSE IS VERY SHORT. BESIDES, CONTRACTORS RECEIVE A SCHEDULE OF PAYMENTS WHICH IS CLOSELY FOLLOWED BY THE GOVERNMENT INSTITUTION GRANTING THE CONTRACT.

2. ANOTHER ASPECT WHICH FAVORABLY AFFECTS THE CASE AVAILABILITY TO CONTRACTORS IS THE FACT THAT COMMERCIAL BANKS HAVE BEEN AUTHORIZED TO DISCOUNT AGAINST GOVERNMENT CONTRACTS UP TO 80 PER CENT OF THE TOTAL AMOUNT, AND THIS PROCEDURE IS BEING WIDELY USED BY CONSTRUCTION FIRMS. CONSIDERING THE CONDITIONS WHICH PREVAILED A YEAR AGO WHEN CONTRACTORS COULD BE DELAYED BY MONTHS OR EVEN YEARS, THERE IS DEFINITE IMPROVEMENT IN THE SITUATION.

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NOTE BY OCT: #REFTEL APPARENTLY INCORRECT.

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Message Attributes

Automatic Decaptoning: X
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